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To: Executive Directors  
Service Coordination Supervisors

From: Linda C. Veldheer, Ph.D.  
Office of Policy

Subject: **Medicaid Managed Care Expansion**

Date: August 19, 2010

The South Carolina Department of Health and Human Services (State Medicaid Agency) has announced that beginning in October 2010, participation in a Managed Care Organization (MCO) or Medical Homes Network (MHN) will be mandatory for most people newly enrolled in Medicaid and phased-in for most existing Medicaid participants following their annual review. People who do not select a MCO or MHN will be assigned to one.

Being in a Medicaid MCO or MHN requires participants to have a Primary Care Physician (PCP) from a limited network of physicians. The PCP provides/coordinates the participant's basic health care funded through the Medicaid State Plan and must preauthorize specific treatments, therapies, referrals to specialists, and hospitalizations. Some of the MCOs offer benefits beyond the Medicaid State Plan, such as reduced or no co-payments, additional prescriptions, preventive care, dental benefits for adults, etc. While there are many MCOs to choose from, there is only one MHN (South Carolina Solutions). The MHN is primarily for people with a chronic medical condition such as asthma, diabetes, hypertension, cardiovascular disease, COPD, etc. In addition to a PCP, a nurse case manager assists with managing the condition and coordinating care.

**Exceptions to mandatory participation in a Medicaid MCO or MHN:**

- People who reside in an ICF-MR or NF cannot be a MCO or MHN, but are assigned to Medicaid fee-for-service.
- People who are enrolled in any Home and Community Based Waiver program (including the Waiver programs operated by SCDDSN) cannot be in a MCO. They may choose between the MHN and Medicaid fee-for-service. If no selection is made, they will be assigned to fee-for-service.

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- People dually eligible for Medicare and Medicaid cannot be in a MCO. They may choose between the MHN and Medicaid fee-for-service. If no selection is made, they will be assigned to fee-for-service.
- TEFRA children (payment category 57) may choose among Medicaid fee-for-service, MCO, or the MHN. If no selection is made, they will be assigned to fee-for-service.

People in a MCO or MHN can access some Medicaid State Plan benefits without preauthorization by their PCP. These include Early Intervention Family Training, Children's Private Duty Nursing, Children's Personal Care Aide, and Rehabilitative Behavioral Health Services which are "carved out" of managed care plans. SCDDSN and our providers can continue to authorize these for designated Medicaid participants.

Most DDSN consumers who are not in an ICF-MR or Waiver program will be affected by mandatory enrollment in a Medicaid MCO or MHN, especially those in Level 2 Service Coordination and/or on waiting lists. While many people can benefit from a MCO or MHN, selecting one of these options or being automatically assigned will likely result in having to find new health care providers.

If ICF-MR placement becomes available for a person in a MCO or MHN, he or she must be disenrolled from the MCO or MHN prior to ICF-MR placement. If a Waiver slot becomes available for a person in a MCO, he or she must be disenrolled from the MCO prior to Waiver enrollment. These situations will also likely result in having to find new health care providers. (A person in the MHN would not have to be disenrolled from the MHN prior to enrolling in a Waiver program.)

The SCDHHS initiative to expand Medicaid managed care is called "**South Carolina Healthy Connections Choices**". Information is available on the program's website ([www.scchoices.com](http://www.scchoices.com)). This website can be used to learn about all managed care options and how to easily enroll in one. All aspects of the Medicaid managed care programs are described on the SCDHHS website ([www.scdhhs.gov](http://www.scdhhs.gov)) under the heading "Benefits Plan". Both websites provide information about specific benefits available from the MCOs and the MHN. They also indicate what hospitals and doctors participate in the plans. SCDHHS has a telephone assistance line at 803/898-4614 for people who are experiencing a problem with their MCO or MHN.

It is important that our consumers and their families understand the implications of enrolling in a Medicaid managed care option or being automatically assigned. They should be advised to be very careful in making a decision that could result in having different doctors. Some people will need help to understand the notices they get from SCDHHS and South Carolina Healthy Connections Choices. A few may need direct assistance to determine what managed care option is best for their situation. Some of the managed care plans have their own advertising and promotions that could prompt a hasty or misguided decision.

Please share this information right away with relevant staff, particularly Service Coordinators and Early Interventionists. They should be directed to become very familiar with the South Carolina Healthy Connections Choices and SCDHHS websites noted above.

You may contact me by telephone (803/898-9789) or E-mail ([LVeldheer@ddsn.sc.gov](mailto:LVeldheer@ddsn.sc.gov)) if you have questions or can offer additional information about this topic.

Cc: Waring; Lacy; Davis; Priest; Mewbourn; Syphertt; Koon; Goodell; Buster; King; Shealy; Britt; Ritchie